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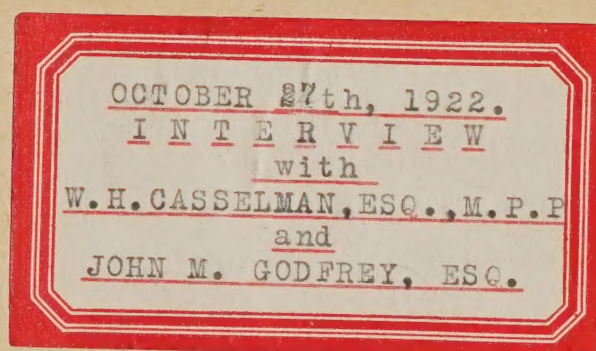
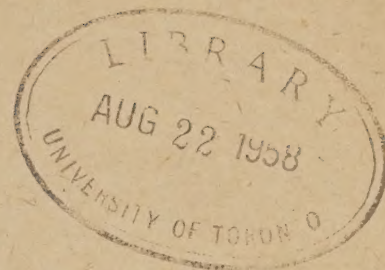
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#229

Ontario: Hydro-Electric
Inquiry Commission,
1922-1924

229

Miscellaneous documents



J. A. ROSS.

EGM.

8.

INTERVIEW

with

W. H. CASSELMAN, ESQ., M.P.P.

and

John M. Godfrey, Esq.

October 27th, 1922.

Mr. Godfrey: I think you should have a Hearing.

Chairman: Why ?

Mr. Godfrey: I think Mr. Casselman had better explain the situation in his own constituency.

Mr. Casselman: That might be a good way but, in order to get the matter properly before you, I had better begin at the beginning. That would illustrate conditions generally and I suppose I should start out by apologising if I have to stumble along. Last session I had it all at my finger tips but lately I have been attending to my own affairs and I am a little rusty.

Mr. Casselman: When the Hydro came into Dundas County, they made a proposal to two urban municipalities (Winchester and Chesterville) to supply Winchester at \$24 per h.p. and Chesterville at \$35., on the understanding that these two municipalities were to take a certain number of h.p. and, in canvassing (This matter had to receive the assent of the electors) the Hydro representatives representee to the rate-payers that, if we increased the volume of the consumption, the price of power would automatically be reduced and the taxpayers voted on the question on that understanding.

Mr. Harris: Those were only estimates ?

Mr. Casselman: Yes, and the only information we had to go upon at that time. No prospective user of power had any intelligent idea of what \$24 per h.p. meant, or \$35, or even \$100. In Winchester they had steam generated power but, in other parts of the county we had electricity on a flat rate. In Morrisburg they had a private development and I suppose they knew what \$24. meant but most of us who were asked to vote on it, did not understand what it would work out in practice. We voted on this proposal of Hydro on the understanding that the power would cost Winchester \$24 and Chesterville \$35.

Chairman: Have you a letter from them stating that these are their estimates ?

Mr. Casselman: Yes; I can give you all that. These by-laws passed and we agreed to take power.

Mr. Harris: Where was that power to come from ?

1. The first part of the report is a general statement of the purpose and scope of the study.

2. The second part is a description of the methods used in the study.

3. The third part is a discussion of the results of the study.

4. The fourth part is a conclusion and a list of references.

5. The fifth part is a list of appendices.

6. The sixth part is a list of tables and figures.

7. The seventh part is a list of footnotes.

8. The eighth part is a list of abbreviations.

9. The ninth part is a list of symbols.

10. The tenth part is a list of definitions.

11. The eleventh part is a list of acknowledgments.

12. The twelfth part is a list of distribution.

13. The thirteenth part is a list of contact information.

Mr. Casselman: From Iroquois about eighteen miles from Winchester and it is about six miles farther on to Chesterville. It is on the St. Lawrence System. This was the beginning of the St. Lawrence System. Brockville, Prescott, Williamsburg, Winchester and Chesterville were the five municipalities that originally constituted the St. Lawrence System. These by-laws carried and they went on and built their power lines and the very first thing charge against Chesterville was \$46.; the charge to the consumer was 4¢ per hundred cubic feet service charge and 5¢ per k.w. hour up to a certain consumption. After they had used a certain volume of power it was reduced to 2½¢. That went on for about five years and, without anyone knowing the reason why, or being forewarned, the price was jumped to \$76.75 per h.p., retroactive for six months; two years later it was jumped to \$85., retroactive for six months.

Chairman: That was on the 13th bill ?

Mr. Harris: Mr. Casselman would not understand that.

Mr. Casselman: No, I do not understand what you mean. When they increased the power to \$76.75 - in Winchester to \$69. I think 4 and when we were increased to \$85. they were increased to \$85. - the price to the consumer was increased to six and three cents when the cost per h.p. was increased to \$76.75 and when it was raised to \$85., the cost to the consumer was raised to 7 and 3½ cents per k.w. hour, retroactive, as I say, for six months. When conditions placed the users of power in this position, I shall cite my own experience as the conditions would apply generally; not that I want to project myself but because, in my own case, I knew the facts.

I am a farmer and my farm property is situated partly in the village of Chesterville and partly in the township. I applied for power and I went to the local representative of the Hydro and I asked what it would cost. They told me 3¢ per 100 sq. ft. per month and the consumption charge would be 5 and 2½¢. I took power on that understanding and wired my buildings. I had my buildings wired by a local firm and, after the job was finished, it was inspected by the Hydro representative and passed. It cost me \$40. At that time it was an old house and we were not very particular. Then I built a new house and I wired that for a complete outfit of labor-saving devices - everything that I could put in to save labor, I tried to provide and after I had that house wired (It was wired by the same firm.) when the job was all complete, the Hydro inspection was changed and they sent a new inspector and he condemned the whole outfit and said I would have to have it done all over again and done by a competent Hydro workman. If I did it was likely to result in fire or loss of life and it must be done at once. I sent for the man who

Mr. Casselman: From the sale about eighteen miles from Winchester and it is about six miles further on to Chesapeake. It is on the St. Lawrence system. This was the beginning of the St. Lawrence system. Winchester and Chesapeake were the two municipalities that originally owned the St. Lawrence system. When by-law carried and they went on and built their power lines and the very first thing that was done was to change the charge to the consumer was 4¢ per k.w. hour up to a certain consumption. After that was used a certain volume of power it was reduced to 1¢. That went on for a while five years and, without anyone knowing the reason why, or being concerned, the price was jumped to 4¢.75 per k.w. hour. After six months the price was later it was jumped to 4¢.75, retrospective for six months.

What was on the 15th bill?

Mr. Casselman would not understand that.

Mr. Casselman: No, I do not understand what you mean. When they increased the power to 4¢.75 - in Winchester to 4¢.75, I think 4 and when we were increased to 4¢.75 they were increased to 4¢.75 - the price for the consumer was increased to six and three cents when the rate per k.w. was increased to 4¢.75 and when it was raised to 4¢.75, the rate to the consumer was raised to 7 and 3¢ cents per k.w. hour, retrospective, as I say, for six months. When conditions changed the rate of power in this position, I shall cite my own experience as the conditions would apply generally; not that I want to project myself but because, in my own case, I know the facts.

I am a farmer and my farm property is situated partly in the village of Chesapeake and partly in the town of Winchester. I applied for power and I want to the local representative of the Hydro and I asked what it would cost. They told me 3¢ per k.w. per month and the consumption charge would be 5 and 3¢. I took power on that understanding and wired my buildings. I had my buildings wired by a local firm and, after the job was finished, it was inspected by the Hydro representative and passed. It cost me 4¢. At that time I was an old house and we were not very particular. Then I built a new house and I wished that for a complete outfit of labor-saving devices - everything that I could get in to save labor. I tried to provide and after I had that house wired (it was wired by the same firm) when the Hydro representative, the Hydro inspector was changed and they sent a new inspector and he condemned the whole outfit and said I would have to have it done all over again and have a complete Hydro system.

had done the wiring and he had a chat with the Hydro inspector and when the inspector went away, I thought it was all accepted but a few days later I got a letter saying that it must be done at once and the Hydro man ordered the material and sent it out and it lay there for six months before they touched it. That was a job that must be done at once in order to avoid fire or loss of life !! Finally they came and started the job and then went away and left it half finished for another period of time.

R. A. Ross: I did not know they did interior wiring.

Mr. Casselman: Yes.

R.A.Ross: Men on their staff exclusively ?

Chairman: You are sure of it ?

Mr. Casselman: Yes, I can give you the man's name. This man is in the employ of the Hydro; does nothing but wire and read meters, etc. That job cost me \$225.10 and the original wiring cost me \$40. and the original job passed such Hydro inspection as was in force at that time.

--- What did the wiring cost you in your new house ?

Mr. Casselman: This was just in the farm buildings.

R. A. Ross: They had passed it before ?

Mr. Casselman: It was inspected and passed such inspection as was in vogue at the time but they changed the inspection.

R. A. Ross: But they did not condemn your house wiring ?

Mr. Casselman: No, because that was done after and, while the inspector inspected the house, he also inspected the barn and condemned it. Later I was told that the new job would have to be changed because experience had taught them that conduit wiring was not satisfactory.

J. A. Ross: The Hydro inspector had insisted on conduit wiring ?

Chairman: Conduit wiring was done in the barn ?

Mr. Casselman: Yes, this job was a better job than had been in use in Morrisburg and Iroquois for twenty-five years and I was the only man whose wiring was condemned and there were similar jobs in that village. When I built the house I wanted to use an electric range and I went to the representatives of the Commission and they told me it would cost me \$90. and when I put it in it cost me \$105.

J. A. Ross: Did they tell you the range alone would cost \$90 or the range and the wiring ?

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inspector and when the inspector went away, I thought
it was all accepted but a few days later I got a letter
saying that it must be done at once and the Hydro man
ordered the material and sent it out and it lay there
for six months before they touched it. That was a job
that must be done at once in order to avoid time or loss
of life. Finally they came and rewired the job
and then went away and left it half finished for
another period of time.

E. A. Ross: I did not know they did interior wiring.

Mr. Casselman: Yes.

E. A. Ross: Ken or their staff exclusively?

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in the employ of the Hydro: does nothing but wire and
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original wiring cost me \$50. and the original job
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Mr. Casselman: Yes, this job was a better job than had been in the
in Newburg and I worked for twenty-five years and
I was the only man whose wiring was condemned and
there were similar jobs in that village. When I
built the house I wanted to have an electric range
and I went to the representative of the Co-operative
and they told me it would cost me \$90. and when I
put it in it cost me \$125.

Mr. Casselman: They said it could be put in ready for use for \$90. I put it in on the understanding that I would get the service for $2\frac{1}{2}$ ¢ per k.w. hour.

Mr. Haney: For the whole service or just the range ?

Mr. Casselman: All I would use. The range went through the same meter.

J. A. Ross: Did you have a contract or just a verbal understanding ?

Mr. Casselman: The course in rural service is to have a contract. You understand that when they raised the rate to \$76.73, they raised the rate to the consumer to 6 and 3 and when they raised it to \$85, they increased to the consumer to 7 and $3\frac{1}{2}$ and then they made a new ruling to apply to farmers living in the municipality, placing them on a commercial rate for all their consumption - which meant that I, and some others, had to pay 14¢ per k.w. hour as the first charge and 7¢ for the second. I had spent \$1,325 in electrical equipment on the understanding that my power would cost me $2\frac{1}{2}$ ¢ per k.w. hour and, after I had got my house nicely finished and my barns equipped with all labor-saving devices, they jumped the rate to 14¢ per k.w. hour which made it absolutely prohibitive. You can all understand, gentlemen, what it would mean to do without that service when you had become accustomed to it. At the beginning it is a luxury but, after you have become accustomed to it, it becomes a necessity. When they first presented the bill of 14 and 7 it was retroactive for two months. We all thought it was a mistake on the part of the secretary and we asked them to rectify it but they said "No, it is a new rate." Then we waited on the Municipal Council and they told us not to pay this rate, that it was unfair. The Hydro sent a representative to Chesterville, who said that those farmers living in the municipality would have to pay that rate of 14 and 7. I went into the public press with the matter and some time later a representative of the Hydro visited me and said that, as a user of power, I had a right to complain but, as a public man, I had no right to criticize the Hydro. He went away thinking less of himself than when he came. The protest had the effect of placing us on an equal footing with other users of power for domestic purposes. They put a meter in the house and barn.

R. A. Ross: Were you within the municipality of Chesterville or on a rural line.

Mr. Casselman: Within 300 ft. of the Post Office in the village of Chesterville. Directly opposite my house is a municipal lighting pole and it costs no more to serve me than the others in the village. Directly opposite to me lives a retired farmer who was getting his power on a domestic basis and yet I was charged the commercial rate; within 25 ft. of my house was the municipal lighting pole with a municipal light on it.

Mr. Casselman: They said it would be paid in ready for two \$50. I put it in on the understanding that I would get the matter for the day for Mr. W. W. W.

Mr. W. W. W.: For the whole service or just the range?

Mr. Casselman: All I would need. The range went through the same meter.

J. A. Ross: Did you have a contract or just a verbal understanding?

Mr. Casselman: The contract in that service is to have a contract. You understand that when they raised the rate to \$50.75, they raised the rate to the contract to \$50.75 and when they raised it to \$50.75, they increased to the contract to \$50.75 and then they made a new ruling to apply to the service living in the municipality, placing them on a contractual rate for all their consumption - which meant that I, and some others, had to pay for Mr. W. W. W. as the first charge and for the second. I had spent \$1,250 in electrical equipment on the understanding that my power would cost me \$10 per M.W. hour and, after I had got my house wired, finished and my house equipped with all the necessary devices, they jumped the rate to \$14 per M.W. hour which was a completely prohibitive. You can all understand, gentlemen, what it would mean to be without that service when you had become accustomed to it. The beginning is a luxury but, after you have become accustomed to it, it becomes a necessity. When they first presented the bill of \$14 and it was representative for two months. We all thought it was a mistake on the part of the necessary and we asked them to rectify it but they said, "No, it is a new rate." Then we waited on the Municipal Council and they said we not to pay this rate, that it was unfair. The Mayor and representatives to the Council, who said that those persons living in the municipality would have to pay that rate of \$14 and I. I went into the public press with the matter and some time later a representative of the Mayor visited me and said that, as a result of my I had a right to complain but, as a public man, I had a right to explain the Mayor. He went away thinking less of himself than when he came. The present day the effort of finding us on an equal footing with other users of power for domestic purposes. They got a meter in the house and found.

J. A. Ross: Were you within the municipality of Chateaufort or on a rural line?

Mr. Casselman: Within 500 ft. of the road office in the village of Chateaufort. Directly opposite my house is a municipal lighting pole and it costs no more to serve a house in the village. Directly opposite to

R.A. Ross: Within the municipality they were making a different rate to you to what they did to your neighbors?

J. A. Ross: You were not metered at the start, I gather?

Mrs. Casselman: Yes, I was metered.

Chairman: Did not the village control that? It got the money and owned the line?

Mr. Casselman: The municipality has not a word to say as to what the rate to each consumer shall be. They pay so much per h.p. for so many h.p., but the commission fix the rates to the users.

Mr. Harris: The municipality has a local Hydro Commission?

Mr. Casselman: Yes, the Village Council. We were told by a representative of the Commission that they had to collect from me the rate the Commission fixed. If you are interested in that whole story you can get it in the "Farmer's Sun" of June 25th, 1921.

R. A. Ross: I thought the farmers of Ontario were getting everything.

Mr. Casselman: Before I get through with this question, I think you will have two things coming to you. Before this matter came before the Hydro Commission I agreed with the village council that it would be fair for me to pay the commercial rate on the consumption of power that I used in my farm buildings but, in my house, I said, my wife had as much right to the use of electric power for labor-saving devices as my brother's (who is a merchant) wife or as the lawyers' and doctors' wives. This increase in rate, which would have been in vogue yet I believe if I had not protested, meant that we were paying about three times as much for our power as we were asked when we started to use it.

Mr. Harris: Before those two villages came into the Hydro, the Hydro gave you a certain specific price for power? Did they go in there and make an estimate as to how much power would be used or did the municipality give them an estimate?

Mr. Casselman: They said to us, in the case of Chesterville, "If you use 50 h.p., your price will be \$35. per h.p. but, if you reduce your consumption the price will ~~be~~ automatically be reduced.

Mr. Harris: And in Winchester?

Mr. Casselman: I cannot say but they use more there but the cost at Chesterville will illustrate this whole question I think satisfactorily.

Within the municipality they were making a difference
rate to you so what they did to your municipality?

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Mr. Casselman: Yes, I was metered.

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representative of the Commission that they had to
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Mr. Harris: Before these two villages came into the Hydro, the
Hydro gave you a certain specific price for power?
Did they go in there and make an estimate as to how
much power would be used or did the municipality
give them an estimate?

Mr. Casselman: They said to me, in the case of Chateaufort, "If you
use 60 h.p., your price will be \$250. per h.p. but
if you reduce your consumption the price will be
automatically be reduced."

Mr. Harris: And in Winchester?

Mr. Casselman: I cannot say but they are more there but the cost

- R. A. Ross:- Did they tell you what would happen if you used less?
- Mr. Casselman: I do not think that would be very likely.
- Mr. Harris: 50 h.p. was their estimate. What did you actually use ?
- Mr. Casselman: We were never billed at \$35. The first bill was \$46. Then they jumped us to \$76.73 and we were using 150 h.p. When they raised the rate to \$85. we were using 192 h.p., which was practically 400% of an increase in consumption and more than double the price.
- Mr. Harris: In making their estimates in other municipalities they apparently went in and made the estimates of how much power would be used. It was their estimates that were used. In Northern Ontario on some of the systems, a lot of municipalities did not begin to use as much as was estimated they would be able to use; some others went over the estimate.
- Mr. Casselman: I can appreciate that, where they over-estimated the consumption they would be disappointed in the price.
- Mr. Haney: Were not those estimates made on the advice of the Hydro people themselves, rather than on the advice of the municipalities.
- R. A. Ross: Had you electric light in your municipality before ?
- Mr. Casselman: No.
- R. A. Ross: You knew nothing about a h.p.
- Mr. Casselman: No.
- R. A. Ross: You see there would be no one there.
- Mr. Haney: And you depended upon the advice and experience of the Hydro and being public officials you thought their judgment would be sound.
- Mr. Casselman: Naturally.
- Chairman: Did they send anyone down there to address public meetings ?
- Mr. Casselman: Sir Adam was there himself.
- Mr. Haney: What is the population of Chesterville ?
- Mr. Casselman: About 1,000.
- Mr. Haney: And Winchester ?
- Mr. Casselman: About 1,300 or 1,400.

Mr. A. Rosen:

Mr. Casselman: I do not think that would be very likely.

Mr. Harty: 50 p.p. was their estimate. What did you actually see?

Mr. Casselman: We were never billed at \$25. The first bill was \$25. Then they jumped us to \$75.75 and we were asked 100 p.p. When they raised the rate to \$25. we were asked 100 p.p., which was practically 400% of an increase in compensation and more than double the price.

Mr. Harty:

Imagining their estimate in other municipalities they apparently went in and made the estimate of how much power would be used. It was their estimate that was used. In Western Ontario on some of the systems, a lot of municipalities did not begin to use as much as was estimated they would be able to use. Some others went over the estimate.

Mr. Casselman:

I am sure that, where they over-estimated the consumption they would be disappointed in the price.

Mr. Harty:

Were not those estimates on the advice of the Hydro people themselves, rather than on the advice of the municipalities?

Mr. A. Rosen:

Had you electric light in your municipality before?

Mr. Casselman: No.

Mr. A. Rosen:

You know nothing about a H.P.

Mr. Casselman: No.

Mr. A. Rosen:

You see there would be no one there.

Mr. Harty:

And you depended upon the advice and experience of the Hydro and being paid by the Hydro for their judgment would be sound.

Mr. Casselman: Naturally.

Chairman:

Did they send anyone down there to address public meetings?

Mr. Casselman: Mr. Adams was there himself.

Mr. Harty:

What is the population of Rochester?

Mr. Casselman: About 1,000.

Mr. Harty: And Winchester?

Mr. Harris: Did they take as much power ?

Mr. Casselman: They increased the consumption but not as much as we did.

Mr. Harris: Did all the five municipalities on the St. Lawrence System take the amount estimated ?

Mr. Casselman: I think in Brockville they increased the consumption a great deal; I cannot say as to Prescott. I think that where they have taken a group of municipalities into a certain system, they average it up. If another municipality took half the power they average it up.

Mr. Harris: That is not service at cost .

Mr. Casselman: It is on the system.

If you are going to apply that system locally, within a certain zone, if you are going to be consistent you should apply it all over the Province, which I think is the proper caper because a man in Chesterville or the County of Dundas has just as great an equity in the water powers of the Province as a man in Toronto and we think he renders as great a service to the State and his property is held as security for the development. I investigated what the cost per k.w. hour in Toronto would be, based on this consumption. Under this new ruling my power would cost me 11.7¢ per k.w. hour on an average. There was a big Irish waiter (I don't know whether any of you are Irish or not but if you are God bless you.) a big able-bodied man, who is holding down a woman's job; not rendering any greater service to the State than I am and his wife is not rendering any greater service than my wife is. His cost is 1.27, based on my consumption. We claim that we have as great an equity in the water powers of the Province as this Irish waiter has and we claim that we should have the benefit of the potentiality of our water powers, as he has. I have his meter bill in my possession. He is in the City of Toronto.

Chairman: Would you apply the same principle to the railroads ? When you want freight carried a greater distance, do you think you should get it at the same rate?

Mr. Casselman: I would not like to say off-hand. We have that system in vogue in our postal system.

Chairman: But would you expect coal to be delivered 500 miles as cheaply as near the mine?

Mr. Casselman: It cannot be done and neither can electric power be delivered as cheaply but those are not parallel cases because the water powers are the property of the people

Mr. Harris:

Did they take as much power?

Mr. Casselman:

They increased the consumption but not as much as we did.

Mr. Harris:

Did all the five municipalities on the St. Lawrence system take the amount anticipated?

Mr. Casselman:

I think in Quebecville they increased the consumption a great deal; I cannot say as to Montreal. I think that where they have taken a group of municipalities into a certain system, they average it up. If another municipality took half the power they average it up.

Mr. Harris:

That is not average at all.

Mr. Casselman:

It is on the system.

If you are going to apply that system locally, within a certain zone, if you are going to be consistent you should apply it all over the Province, which I think is the proper way to proceed. A man in Ontario and a man in Quebec are just as equal in the water power of the Province as a man in Toronto and we think he should be given a service to the State and his property is held as security for the development. I investigated what the cost per K.W. hour in Toronto would be, based on this consumption. Under this new rating my power would cost me 11.5¢ per K.W. hour on an average. There was a big Irish water (I don't know whether any of you are Irish or not but it was a big fellow for.) a big fellow man, who is holding down a woman's job; not rendering any greater service to the State than I am and his wife is not rendering any greater service than my wife is. His cost is 1.27, based on my consumption. So claim that we have as great an equality in the water power of the Province as this Irish fellow has and we claim that we should have the benefit of the potentiality of our water power, as he has. I have his water bill in my possession. He is in the City of Toronto.

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Chairman:

But would you expect coal to be delivered 500 miles as cheaply as near the mine?

Mr. Casselman: It cannot be done and neither can electric power be

and I have no equity in the coal mines of the United States and neither have you.

Chairman: Our Niagara power is delivered at exactly the same price, at Niagara, to every municipality in the Province that takes it from there. The extra cost is made up in transmission lines that carry the power from Niagara to the point of consumption.

Mr. Casselman: Is it right that a man in the City of Toronto, as I have mentioned, should get his power at 1/10th what it costs me?

Chairman: You get it at the same price at Niagara. It is the transmission that increases it. Toronto does not get it as cheaply as Niagara does and yet Toronto does not suffer.

Mr. Casselman: It is the system. Service at cost and where you deliver a large quantity you can deliver it cheaper than a smaller quantity.

Chairman: Is it not the system applied to everything that we buy and sell?

Mr. Casselman: Not to the postal service.

Chairman: But it is not applied to the postal service, because if you apply any other system than a flat rate to it.....

Mr. Casselman: Does that not apply to the Hydro too?

Chairman: It does not cost much more to make out a bill for \$2.00 than a bill for \$1.00.

Mr. Haney: The telegraph system is like the postal system.

Chairman: To a large extent yes.

Mr. Casselman: I have never advocated a flat rate. Theoretically, I think it is an ideal condition if you want a well-balanced development.

Mr. Harris: The reason for the lop-sidedness is, if you had the water powers distributed over Ontario, you would have that thing automatically, because your water was there. Supposing you had a flat rate, with Niagara as the source of supply, every little municipality would have the same right to demand service. You are enunciating a theory that you have an equity. You would soon get the system loaded down.

Mr. Casselman: There is a limit.

Chairman: Supposing you were using the St. Lawrence development

and I have no equity in the coal mines of the United States and neither have you.

Chairman: But Mr. Hoover is delivered at exactly the same price at Niagara, so every municipality in the United States is from there. The water cost is made up in transmission lines that carry the power from Niagara to the point of consumption.

Mr. Casselman: Is it right that a man in the City of Toronto, as I have mentioned, should get his power at 1.15¢ per kWh what it costs me?

Chairman: You get it at the same price as Niagara. It is the transmission that increases it. Toronto does not get it as cheaply as Niagara does and yet Toronto does not suffer.

Mr. Casselman: Is it the system. I believe at cost and where you sold a large quantity you can deliver it cheaper than a smaller quantity.

Chairman: Is it not the system applied to everything that we buy and sell?

Mr. Casselman: Not to the postal service.

Chairman: But it is not applied to the postal service, because if you supply any other system than a flat rate to it....

Mr. Casselman: Does that not apply to the rates too?

Chairman: It does not cost much more to make out a bill for \$1.00 than a bill for \$1.00.

Mr. Haney: The telegraph system is like the postal system.

Chairman: To a large extent yes.

Mr. Casselman: I have never suggested a flat rate. I think it is an ideal condition if you want a well-balanced development.

Mr. Haney: The reason for the log-relationship is, if you had the water power distributed over Ontario, you would have that thing automatically, because your water was there regardless you had a flat rate, with Niagara as the source of supply, every little municipality would have the same right to demand service. You are suggesting a theory that you have an equity. You would soon get the system loaded down.

Mr. Casselman: There is a limit.

if you were getting power from there, you would get it cheaper than Toronto. Would you think it fair to be told that you must pay the same as Toronto about a hundred miles away? We have to pay more in the Post Office, outside of certain districts - and for heavy matter.

Mr. Casselman: I do not think it is practicable.

Chairman: I did not understand that you had concluded it was impracticable.

Mr. Casselman: There is one way of doing it. I mean a rental and that rental should go into the revenue of the Province and where it is possible to return part of the proceeds of that power it should be done and, where not feasible, they should get the benefit in some other way.

Chairman: Have you worked out any scheme?

Mr. Casselman: The Legislature appointed a committee to study this matter and we did bring in a report with certain recommendations. The report, of course, we knew did not represent the last word in wisdom but we did make some proposals that, I think, would relieve the situation.

Mr. Haney: When the estimates are first made for power in a district, such as they were in your town, would it be your judgment that the estimates of power given you at that time should be at the maximum price of power?

If they agree to give you power at \$35 on a certain basis, they really establish that basis. Now they charge you \$46 right off the bat and then increase that to \$55. Would you think that, when they establish a rate - a fixed rate - would it be your idea that you should never be asked to pay more than that rate?

Mr. Casselman: We voted on this question on that understanding and we have down there a private concern that is willing to enter into a contract at less money.

Mr. Haney: I am asking you a question. We find a number of cases similar to yours. A fixed price for power was established - say \$35.-; if that was the maximum price for power, if you could never be charged more than that, you would be satisfied.

Mr. Casselman: We should be; we voted on it and said so.

Mr. Haney: Did you expect to pay any more at the time you voted on it?

Mr. Casselman: I think not; I had every faith in the promise of the Hydro that I would get my power.

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Mr. Casselman: We should not we voted on it and said so.

Mr. Hargy: Did you agree to pay any more at the time you
voted on it?

Mr. Haney: You made your investment on the strength of that and yet in the face of that they increased your rate.

Mr. Casselman: If I had submitted I would have been paying 300% more than they said the price would be. I have 120 acres in my farm. At the rate that they asked me my power would have cost me over \$400 per year. Any man who knows farming conditions knows that no farm can afford to pay that.

Mr. Haney: What I want to find out is if the rate that is promised should not be the maximum rate or if the farmer understood that he might have to pay a higher rate in the future.

Mr. Casselman: Do you suppose that I could justify on any business grounds spending the money I did, if I did not believe that the cost of power would have been within my reach.

Mr. Haney: Would you have made the investment of \$1,300 if you knew the power would cost you \$85.

Mr. Casselman: No, I could not afford it.

Chairman: Mr. Casselman if, through a mistake, the Hydre had given you too low an estimate or, if through deliberate misrepresentation they gave you too low an estimate and, acting on that you had made your investment and you found afterward that the price went up and if they were charging you more and you thought you should be able to get the power, who would pay the difference ?

Mr. Casselman: I see, in the case of Nipigon, they are asking the Government to pay it.

Chairman: Do you think the Government should pay it ?

Mr. Casselman: Absolutely no.

J. A. Ross: Was not that rate of \$35. a little more flexible than just a net \$35.? Was that not predicated on the thought of the principle of power at cost ? You were talked to by Sir Adam Beck, and others, on the theory of power at cost and, based upon that, they estimated that the price would be about \$35. In other words, there was some justification for some raise.

Mr. Casselman: They said, "If you increase your consumption, the price will automatically be reduced."

Chairman: When you made a contract, did the contract not say that, whatever the price might be, you would pay it ?

Mr. Casselman: Yes.

Chairman: That is it.

Mr. Haney: You made your investment on the strength of that and yet in the face of that they increased your rate.

Mr. Casselman: If I had admitted I would have been paying \$300 more than they said the price would be. I have 120 acres in my farm. At the rate that they asked me my power would have cost me over \$400 per year. Any man who knows farming conditions knows that no farm can afford to pay that.

Mr. Haney: But I want to find out if the rate that is proposed should not be the maximum rate or if the farmer understood that he might have to pay a higher rate in the future.

Mr. Casselman: Do you suppose that I could justify on any business grounds spending the money I did, if I did not believe that the cost of power would have been within my reach.

Mr. Haney: Would you have made the investment of \$1,500 if you knew the power would cost you \$85.

Mr. Casselman: No, I could not afford it.

Chairman: Mr. Casselman is, through a mistake, the Hydro had given you too low an estimate or, if through deliberate misrepresentation they gave you too low an estimate and, acting on that you had made your investment and you found afterward that the price went up and if they were charging you more and you thought you should be able to get the power, who would pay the difference.

Mr. Casselman: I see, in the case of Niagara, they are asking the Government to pay it.

Chairman: Do you think the Government should pay it?

Mr. Casselman: Absolutely not.

J. A. Rose: Was not that rate \$15.00, a little more flexible than that a net \$25.00? Was that not provided on the thought of the principle of power at cost? You were talked to by Sir Adam Beck, and others, on the theory of power at cost and, based upon that, they estimated that the price would be about \$25. In other words, there was some justification for some raise.

Mr. Casselman: They said, "If you increase your consumption, the price will automatically be raised."

Chairman: When you made a contract, did the contract not say that, whatever the price might be, you would pay it?

Mr. Casselman: Yes.

Mr. Casselman:

The village of Chesterville has contracted to take power at cost, that is the usual practice - to take a certain number of h.p. at a certain price. I, as an individual consumer, am not under contract, if power at cost becomes so high that I cannot use it; there is nothing to compel me to take power. Who is going to pay it if the private consumer discontinues?

J. A. Ross: The answer to that is - they will not. You have found it a necessity; you cannot get along without it.

Chairman: The contract says the municipality will pay it.

R. A. Ross: In contradistinction to that the communities evidently appreciate it because they have increased the consumption about 300%.

Mr. Casselman: The answer to that is that we had a large condensing plant located there. Although occasionally there is another resident taking power, and the load is increased slightly in that way, the main reason is the condensing plant.

R. A. Ross: Where is that power developed?

Mr. Casselman: At Cedar Rapids.

Chairman: Do you know what the condenser pays.

Mr. Casselman: I could find out but the superintendent told me that, when this increase came on, they were going to generate by steam, with their own plant, as they could do this more cheaply. They have a very up-to-date steam plant in their factory and they use it any time the Hydro goes off - which happens occasionally, for one reason or another, as is bound to happen. We are not complaining about that.

R.A.Ross: If they have their own plant, they can beat that price by steam.

Mr. Casselman: Yes, but that means transporting their fuel from the States.

Mr. Harris: But they must use steam anyhow, must they not?

Mr. Casselman: Yes, but it takes more coal.

Mr. Harris: Are the people of Chesterville satisfied with their contract?

Mr. Casselman: How can they be, when they expected to get power at 5 and $2\frac{1}{2}$ and are asked later to pay 7 and $3\frac{1}{2}$?

Mr. Harris: Does that apply to the whole village?

Mr. Casselman:

The village of Cheslerville has requested to take power at cost, that is the usual practice - to take a certain number of h.p. at a certain price. I, as an individual contractor, am not under contract, it is power at cost because no high that I cannot see it; there is nothing to compare me to take power. The is going to pay it if the private company discontinue

J. A. Ross:

The answer to that is - they will not. You have found it a necessity; you cannot get along without it.

Chairman:

The contract says the municipality will pay it.

J. A. Ross:

In certain instances to that the municipalities obviously appropriate it because they have increased the consumption about 300%.

Mr. Casselman:

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If they have their own plant, they can heat that price by steam.

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Mr. Harris:

But they must use steam anyhow, must they not?

Mr. Casselman:

Yes, but it takes more coal.

Mr. Harris:

And the people at Cheslerville satisfied with their contract?

Mr. Casselman:

How can they be, when they expected to get power at 2 and 2½ and are asked later to pay 7 and 8½?

Mr. Casselman: Yes. They do not like that feature but they are not so discontented that they are going to drop out.

--- The Hydro comes in and says "You cannot get that power cheaper anywhere else." ?

Mr. Casselman: But, as a matter of fact, we can.

R. A. Ross: The City of Montreal, taking power from the Cedar Rapids, pays five cents straight.

Chairman: Did the Hydro explain to you why they found this increase ~~change~~ necessary ?

Mr. Casselman: I expect the estimates were just a bad guess. There is a feature I would like this Commission to investigate if it is within your scope. I understand that, at some time within the history of the St. Lawrence System, there were negotiations with a power company at Waddington, New York and that the Hydro made certain commitments that did not yield results to that system and that we are paying for that now. Mr. Pope talked to me a little about that last year but I did not get to the bottom of it and I should like to understand that. They committed themselves to certain expenditures and the whole scheme dropped through and, because it was done in our behalf, it figures in our rate.

Mr. Harris: You would be carrying that liability. Did you hear anything of that, Mr. Foster ?

Mr. Foster: Never heard of it.

Mr. Harris: There is some story there.

Mr. Casselman: I am satisfied that there is something there that affects our rate and we would like to know.

Mr. Harris: How could we best get at that information ?

Mr. Foster: From the Hydro files.

Mr. Casselman: Mr. Pope would give it to you.

R. A. Ross: When we get to that district we could get it. There may be other complaints in the same district.

Mr. Casselman: That is about all in Chesterville and Winchester. I would like to take up the matter of rural distribution.

J. A. Ross: Did you ever protest to the Hydro, when your rates were raised from \$85 to \$85 ? Did you ever unify in a protest to the Hydro to ascertain wherein the difference could be accounted for ?

Mr. Casselman: I did.

J. A. Ross: What was their explanation ?

Mr. Casselman: Yes. They do not like that because they are not so disappointed that they are going to drop out.
The Hydro Commission in 1924 says "you cannot get that power through anywhere else."

Mr. Casselman: Yes, as a matter of fact, we can.
The City of Montreal, taking power from the Cedar Rapids, pays five cents a kilowatt.

Chairman: Did the Hydro explain to you why they found this transfer necessary?

Mr. Casselman: I expect the estimates were just a bad guess. There is a feature I would like to mention as to investment. It is within your power. I understand that, as far as the Hydro Commission is concerned, the Hydro Commission is the owner of the St. Lawrence system. There were negotiations with a power company at Washington, New York and that the Hydro Commission was not satisfied that it did not yield enough to that power company. Mr. Hope said that we were paying for that now. As we are little about that last year but I did not get to the bottom of it and I should like to understand that. They committed themselves to certain expenditures and the whole scheme dropped through and, because it was done in our behalf, it is given in our name.

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Mr. Harris: How could we have got at that information?

Mr. Foster: From the Hydro files.

Mr. Casselman: Mr. Hope would give it to you.

Mr. Harris: When we got to that district we could get it. There may be other complaints in the same district.

Mr. Casselman: That is about all in Chateaufort and Windsor.

Mr. Harris: Did you ever present to the Hydro, when your rates were raised from \$25 to \$35? Did you ever make a protest to the Hydro to ascertain whether the difference should be accounted for?

Mr. Casselman: I did.

Mr. Casselman: As I understand it, their explanation was that we were farmers and were using this power for commercial purposes and it was a rule that, where there was a farm service in a municipality, they had to pay on the commercial basis, which is just double the domestic.

R. A. Ross: I cannot understand it.

Chairman: That is exactly what Jeffrey told us. He said it depended on the acreage.

--- You got redress because you kicked. What redress did the other farmers get ?

--- I would not think that could be justified.

--- You think that farmers, in other places, are still under the same conditions that you were under ?

Mr. Casselman: I imagine that, when they found out that the rule was working an injustice all through the Province, they would remedy it, all over the Province.

Mr. Harris: Could you not put one of these house generating sets on your property and do it for half ?

Mr. Casselman: I think so.

Mr. Harris: You say you have an offer from a private concern ?

Mr. Casselman: Yes, but there is one other point. I do not want to place the class that is getting an advantage, at a disadvantage, but I think it shows an unjustifiable discrimination. Take a livery man there. The service all goes through one meter and the service in his barn is paid for on domestic rates, whereas a farmer pays for his farm service on commercial rates. Now, the liveryman's business, in his barn, is just as much a business as the farmer's business in his barn. There is that discrimination still in existence.

Mr. Harris: Is your lighting rate as well as your power rate worked out at the same price ?

Mr. Casselman: No, we have two meters. My lighting rate is the same as the village, although at one time they placed the whole of my consumption on a commercial basis. We are not permitted to use heavy power and I do not advocate that.

Chairman: Do you use a threshing machine ?

Mr. Casselman: No.

Mr. Harris: Your power is more intermittent than the power for a manufacturer.

Mr. Casselman: As I understand it, their explanation was that we were farmers and were using this power for domestic purposes and it was a waste that, where there was a large service in a municipality, they had to pay on the commercial basis, which is just double the domestic.

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You got reduced because you know. The other knows that?

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You think that farmers, in other places, are still under the same conditions that you were under?

Mr. Casselman: I imagine that, when they found out that the rule was working an injustice all through the Province, they would remedy it, and even the Province.

Mr. Martin: Could you not put one of those houses containing rats on your property and do it for half?

Mr. Casselman: I think so.

Mr. Martin: You say you have an offer from a private concern?

Mr. Casselman: Yes, but there is one other point. I do not want to place the claim that is getting an advantage, as a disadvantage, but I think it shows an unjustifiable discrimination. Take a lively man there. The service all goes through one meter and the service in his house is paid for on domestic rates, whereas a farmer pays for his farm service on commercial rates. Now, the lively man's business, in his house, is just as much a business as the farmer's business in his house. There is that discrimination still in existence.

Mr. Martin: Is your lighting rate as well as your power rate worked out at the same price?

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Chairman: Do you use a threshing machine?

Mr. Casselman: No.

Mr. Martin: Your power is more important than the power for a

Mr. Casselman: Yes.

Mr. Harris: It is your idea that the policy of the Hydro at the present time discriminates against a lot of municipalities; for instance, the large centers like Toronto have an advantage over the other outside municipalities like Belleville or Barrie, which are just as keen and anxious to get manufacturing concerns but there is discrimination against them right at the very start.

Mr. Casselman: Yes, on account of this system of distribution, which I think is not justified.

Chairman: I do not think that is quite correct. Niagara is a small place and it does not pay so much; it is not the size, it is the location. As a rule, in a small town, they can get their labor cheaper; house rents are much cheaper. You can get a girl to work all day in a factory for \$7.00 per week.

J. A. Ross: The efficiency of a girl in a factory is measured by her training.

--- We are not going into that.

Chairman: I think we have as high a power rate in Oakville and yet we have a large tannery, a tire factory and a basket factory and they say they are making large profits.

Mr. Casselman: You must take the question of power distribution by itself. I cannot see, for the life of me, why an individual in one community should get this service so much cheaper.

Chairman: But you can see it in your coal and in everything else.

R. A. Ross: To an ordinary manufacturer the cost of power is not 5% of his cost, so that the power cost is over-estimated.

Mr. Harris: Less than 5%.

Mr. Casselman: From the point of view of the consumer 11.2 as against 5 is a handicap.

MISS ROSS:

Chairman: Mr. Allan Ross and I live in a municipality where we have to pay three times as much for power as in Toronto but our taxes are only about 1/5 as much as in Toronto. If you had no power in this Province at all and if you had to run your plant by steam, you would find that your location would, to a large extent, govern the cost of what you would have to pay for your coal. They are not changing the system; they are following the old system that has been in vogue for a hundred years.

Mr. Casselman: Yes.

Mr. Harris:

It is your idea that the policy of the Hydro at the present time discriminates against a lot of municipalities? For instance, the large centers like Toronto have an advantage over the other outside municipalities like Belleville or Harris, which are just as keen and anxious to get manufacturing concerns but there is discrimination against them right at the very start.

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Chairman:

I do not think that is quite correct. Niagara is a small place and it does not pay as much; it is not the size, it is the location. As a rule, in a small town they can get their labor cheaper; houses rent are cheaper. You can get a girl to work all day in a factory for \$2.00 per week.

J. A. Ross:

The efficiency of a girl in a factory is measured by her training.

He are not going into that.

Chairman:

I think we have a high a power rate in Ontario and yet we have a large factory, a fine factory and a great factory and they are making large profits.

Mr. Casselman:

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Chairman:

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Mr. Ross:

Chairman:

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Mr. Casselman: We have no equity whatever in the coal mines of the United States and we have to submit to that law that you are speaking of but have the people at the Falls any more equity because they live at the Falls ?

Chairman: I have just pointed out that the cost is the same at the Falls. It is the cost of sending it from there.

Mr. Casselman: I do not believe in that system.

Chairman: You have a flat rate at Niagara. It is only that you come and ask them to send it away across the country for miles that your cost of carriage comes in.

Mr. Harris: Mr. Casselman's idea is that because a man lives at Niagara Falls, there is no reason why he should get a big advantage that he, away down in Dundas County, is helping to pay for.

Chairman and)
R.A. Ross) No, but he does not.

Mr. Harris: Yes, but he does.

R. A. Ross: It is not fair.

Mr. Casselman: The farmers in Dundas County wanted power in the townships and Hydro canvassed the situation and in certain localities they quoted certain prices. On one contract in Williamsburg township, the price was to be \$57 per year service charge and 8¢ and 4³/₄¢ per k.w. hour consumption charge, on the basis of three users to the mile and a twenty-year contract binding the farmer to take the service. It amounted to a mortgage on his farm for the payment of that service charge during the term of twenty-years, whether he used the power or not but the Hydro bound itself to nothing. Quite a number of farmers signed up on this proposition and the matter was carried to a stage where all it lacked was the township council passing a by-law ratifying the whole project and, at a meeting of the township council held for this purpose, they asked me to be present and state my experience and I did and it was substantially the same as I give to you. The Hydro had a representative there too and those who had signed their contracts were present at the Meeting and everyone of them refused to take power. At least they advised the council not to ratify the proposal and the thing fell through. Now this rate that Hydro quoted the farmers down there was based on the cost of 50% of the cost of *building* transmission lines down there, which was made available as the result of passing that bill a year ago.

---- What was the bonus from the ----

Mr. Casselman: That is a myth. As a matter of fact we got no rentals if

Mr. Casselman: We have no entity whatever in the coal mines of the United States and we have to admit it is that law that you are speaking of but have the people at the table any more entity because they live at the table?

Chairman: I have just pointed out that the cost is the same as the table. It is the cost of working it from there.

Mr. Casselman: I do not believe in that system.

Chairman: You have a first rate at Kingston. It is only that you come and ask them to send it away across the country for miles that your cost of carriage comes in.

Mr. Harris: Mr. Casselman's idea is that because a man lives at Kingston, there is no reason why he should get a big advantage there, away down in Kansas County, in helping to pay for.

Chairman and Mr. Casselman: No, but he does not.

Mr. Harris: Yes, but he does.

Mr. Casselman: It is not fair.

Mr. Casselman: The Farmers in Kansas County wanted power in the township and they organized the union and in certain localities they asked certain prices. On one contract in Williamsburg township, the price was to be \$50 per year service charge and \$5 and \$10 per hour consumption of fuel. On the basis of these rates to the mile and a twenty-year contract binding the farmer to take the service. It amounted to a mortgage on his farm for the payment of that service charge during the term of twenty-years, whether he used the power or not but the farmer bound himself to nothing. With a number of farmers signed up on this proposal and the matter was carried to a stage where all it lacked was the township council passing a resolution ratifying the whole project and, at a meeting of the township council held for this purpose, they asked me to be present and state my experience and I did and it was substantially the same as I give to you. The farmer had a representative there too and those who had signed their contracts were present at the meeting and everyone of them refused to take power. At first they advised the council not to ratify the proposal and the thing fell through. Now this rate that Hyde pressed the farmers down there was based on the of 50% of the cost of transmission lines down there, which was made available as the result of granting that bill a year ago.

from waters. The Province gets more than that but it goes to the maintenance of Queen Victoria Niagara Falls Park.

Chairman: We asked Mr. Bowman about that and he said the policy was to charge \$1.00 per h.p., which would bring in a very large revenue.

Mr. Casselman: Yes, if it is collected but I know that, in 1919, receipts from rentals were \$19,787 and that is about the way it runs. In Quebec they collect upwards of a third of a million dollars per year.

Chairman: And they would in this Province, if it were not for that payment to the Commission.

Mr. Casselman: I am not criticizing the keeping up of that park because I think it is a project well worthy of support but I think they should ~~xxxxx~~ submit a budget, and the profits from rentals should go into the revenue and \$1.00 per year per h.p., would bring in \$1,000,000 into the consolidated revenue.

R.A. Ross: If that water power rental had gone into the consolidated revenue, would we ever have had a park?

Chairman: A whole lot of the water powers were granted without charge at all and they were giving perpetual use of them.

Mr. Casselman: We are still doing things that are wrong.

Chairman: The Kaministiquia at Fort William do not have to pay a copper, while the Hydro, at Nipigon, has to pay 50¢ for all its power.

Mr. Casselman: And you think that the Legislature cannot collect a rental from any user of power?

Chairman: It cannot collect from those to whom it has given perpetual franchises, without breaking its promises.

Mr. Harris: On the Trent Valley Canal the Dominion Government is collecting rentals.

Mr. Casselman: Theoretically, but do they actually get them?

Mr. Haney: It is a question if the Dominion Government gets much, ~~xxxxx~~ or if it is to facilitate the use of the power. They get the rental in the case of Ranney's Falls.

~~XXXXX~~Casselman:

They take the investment on the dams there; that would be necessary for the Hydro to spend if the Dominion Government had not already spent it; and

from waters. The Province gets more than that but it goes to the maintenance of these Victoria Niagara Falls Park.

We asked Mr. Bennett about that and he said the policy was to charge \$1.00 per h.p., which would bring in a very large revenue.

Mr. Casselman: Yes, it is collected but I know that, in 1919, receipts from rentals were \$12,787 and that is about the way it runs. In 1920 they collected upwards of a third of a million dollars per year.

Chairman: And they would in this Province, it is not for that payment to the Commission.

Mr. Casselman: I am not criticizing the keeping up of that park because I think it is a project well worthy of support but I think they should submit a budget, and the profits from rentals should go into the revenue and \$1.00 per h.p., would bring in \$1,000,000 into the consolidated revenue.

E.A. Ross: If that water power rental had gone into the consolidated revenue, would we ever have had a park?

Chairman: A whole lot of the water powers were granted without charge at all and they were giving perpetual use of them.

Mr. Casselman: We are still doing things that are wrong.

Chairman: The Manitoba situation at Fort William do not have to pay a copper, while the Hydro, at Niagara, has to pay 50¢ for all its power.

Mr. Casselman: And you think that the Legislature cannot collect a rental from any user of power?

Chairman: It cannot collect from those to whom it has given perpetual franchises, without breaking its promise.

Mr. Bertie: On the Trent Valley Canal the Dominion Government is collecting rentals.

Mr. Casselman: Theoretically, but do they actually get them?

Mr. Haney: It is a question of the Dominion Government gets much, much or it is to facilitate the use of the power. They get the rental in the case of Haney's Falls.

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They take the investment on the dam there; that would be necessary for the Hydro to spend if the Dominion Government had not already spent it; and

they charge them 5% on that investment - \$35,000 a year they figure it up, I think.

Mr. Haney: \$23,000.

Mr. Harris: They bear all the expenses of the navigation end of the canal and the rate they were asking Hydro was \$2.00.

Mr. Haney: I understood from Bell that all they were asking Ramey's Falls was 5% on ~~all~~ the money that the Dominion Government expended to enable them to use that power.

Chairman: And which amounted to \$2.00 per h.p., whatever it may be.

J. A. Ross: On these rural lines, did you have something more to say?

Mr. Harris: In this question that you speak of, they did ^{not} pass the by-law and they have no electricity in that particular district?

Mr. Casselman: No, and the same thing happened in other districts and then Beech came along and made a proposition to the farmers that he would build transmission lines and would enter into a contract for five years to furnish them with power at \$30. per year service charge and 6¢ per k.w. hour consumption charge and would bond himself for five years and would ask the farmers to sign contracts to take it for five years, with a clause in that contract safeguarding consumers against any other concern coming in and offering power more cheaply in which case he would reduce his price to compare favorably with any other concern. The service charge was based on the cost. This offer was made under these conditions; that no concern proposing to deliver electrical energy, except the Hydro, could take advantage of the 50% bonus paid by the Government but was under a disadvantage as compared with the ~~Government~~ Hydro to that extent, and yet he offered to do that work and, as a matter of fact, he has a ~~xxxx~~ service now in operation on that basis. I tried to get a bill through the Legislature last season which, by the way, I knew was distinctly out of order. It was not competent for a private member to introduce a bill of that sort. My argument was this, that if it was right (but, mind you, I do not say that it is right, because I think it is wrong) to bonus, to take from consolidated revenue to build transmission lines; it is an insult to the men that are being served but it is the nearest we can get to a means of equalization, because the Government lacks the courage to take the bull by the horns and do what it ought to. I tried to get a bill passed which would extend to the farmers taking service from agencies other than the Hydro

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Mr. Casselman:

the benefit of this 50% bonus. When we could not do that we made the Hydro an offer, a copy of which I have in my possession, asking them to take over this Beech concern, so that the Hydro could get the benefit of the bonus and Beech would undertake to provide the service at \$30 and 6¢. That had this effect, that it placed within reach of the rural xxx residents all that service at \$30. per year service charge and 6¢ per k.w. hour consumption charge from this Beech concern as against \$57. and 8½¢ from the Hydro.

Chairman: How could they afford to make it so much less ?
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Mr. Casselman: The offer to furnish the villages of Chesterville and Winchester at \$24. at the time.

-- Before the Hydro came in there, he offered \$24. ?

Mr. Casselman: I don't know whether any of you are acquainted with a power development on the Credit River at Cadillac. I understand that that development is supplying electric service to parts of three counties (Dufferin, Peel and Welland) and that their rates are \$30. per year service charge and 6¢ consumption charge and that the concern is looking toward the extension of that service. They could extend that service if they got the benefit of this 50% bonus and there is another concern in Renfrew County where those rates prevail and I got in touch with a power development in the Province of Quebec, which Mr. Ross would know something about - the Southern Canada Power Company. My information is that it is a large, going concern and knows where it is at and is doing business on business principles. They have a rural service where they charge \$60. and 3¢ and permit the use of a 7½ h.p. motor at that rate. The Hydro proposals, where they proposed to furnish power at \$57 and 8½¢ will not allow the use of a motor of more than 2.h.p. capacity. You can compare the Southern Canada rates, which I have just cited, with the Hydro and you can see that the rural customers of this Quebec concern have very material advantages over the customers of the Hydro in Ontario.

Chairman: Perhaps if the Hydro were down there it might be able to do the same thing.

Mr. Casselman: I have cited three instances in Ontario, where private concerns are giving service at half what the Hydro charges.

R. A. Ross: You must always expect that the cost of power is the cost of money. You can only go a certain distance before you run into competition with coal and, when you find a little spot with a water power in the centre of it, it can beat Hydro very often.

the benefit of this 50% bonus. When we could not do that we made the Hydro an offer, a copy of which I have in my possession, asking them to take over this power system, so that the Hydro could get the benefit of the bonus and Besson would undertake to provide the service at \$20 and 6¢. That had this effect, that it placed within reach of the rural residents all that service at \$20. per year service charge and 6¢ per K.W. hour consumption charge from this Besson concern as against \$27. and 6¢ from the Hydro.

Chairman:

Now could they afford to make it as much less?

Mr. Casselman:

The offer to furnish the villages of Oshesaville and Winchester at \$24. at the time.

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Mr. Casselman:

I don't know whether any of you are acquainted with a power development on the Credit River at Cobalt. I understand that that development is supplying electric service to parts of those counties (Ontario and Michigan) and that their rates are \$20. per year service charge and 6¢ consumption charge and that the concern is looking toward the extension of that service. They could extend that service if they got the benefit of this 50% bonus and there is another concern in Kent County where their rates are \$20. and I got in touch with a power development in the Province of Quebec, which Mr. Besson would know something about - the Northern Ontario Power Company. My information is that it is a large, going concern and knows where it is at and is doing business on business principles. They have a rural service where they charge \$20. and 6¢ and permit the use of a 15 K.W. motor at that rate. The Hydro proposition, where they proposed to furnish power at \$27 and 6¢ will not allow the use of a motor of more than 15 K.W. capacity. For an example the Northern Ontario Power, which I have just cited, with the Hydro and you can see that the rural customers of this power concern have very material advantages over the customers of the Hydro in Ontario.

Chairman:

Perhaps if the Hydro were shown there it might be able to do the same thing.

Mr. Casselman:

I have cited three instances in Ontario, where private concerns are giving service at half what the Hydro charges.

H. A. Besson:

You must always expect that the cost of power is the cost of money. You can only go a certain distance before you run into competition with coal and, when you find a little spot with a water power in the north or it, it can beat Hydro very often.

Mr. Casselman: That is exactly the situation we have in Dundas County. We have this water power on the St. Lawrence. Here is a man who is willing to supply Hydro with the power on conditions that will render the service to the rural consumer at the rates that I have mentioned and, rather than cooperate, Hydro will - well, I do not know.

Chairman: Has he submitted an offer ?

Mr. Casselman: Yes.

Mr. Harris: Where is Beech's development ?

Mr. Casselman: At Iroquois, on one of the locks.

Mr. Harris: How much power does he develop ?

Mr. Casselman: 500 h.p., with a potential development of double that amount. Without lowering the water he can probably develop 1,500 h.p.

R.A. Ross: That is not a low head; it is about thirty feet.

Mr. Casselman: They have an efficient plant there and they have good service; just as good as we have.

Mr. Harris: Morrisburg has its own ?

Mr. Casselman: Yes. The municipal plant is the only one in operation; the steam plant is lying idle. There is that power flowing past our door and here is a concern willing to make it available to the residents of the County and Hydro shuts the door. I have discussed with Mr. Beech various suggestions and I have a letter here...

(Hands letter to Chairman, who reads it.)

Chairman: There has been no reply to that letter.

Mr. Casselman: No.

J. A. Ross: Who is Beech ?

Mr. Godfrey: The Beech Estate; they are responsible people.

Mr. Haney: Do they own this power or are there bonds out against that ?

Mr. Casselman: They own it.

Mr. Haney: They must have paid for it then ?

Mr. Godfrey: The whole point is that the Hydro should use any

Mr. Casselman: That is exactly the situation we have in Ontario. We have this water power on the St. Lawrence. Here is a man who is willing to supply Hydro with the power on conditions that will render the cost to the retail consumer at the rates that I have mentioned and, rather than cooperate, Hydro will - well, I do not know.

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Mr. Harris: There is Beech's development?

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H.A. Ross: That is not a low head? It is about thirty feet.

Mr. Casselman: They have an efficient plant there and they have good a view; just as good as we have.

Mr. Harris: Worthington has its own?

Mr. Casselman: Yes. The municipal plant is the only one in operation; the steam plant is lying idle. There is that power flowing past our door and here is a concern willing to make it available to the residents of the County and Hydro shuts its door. I have discussed with Mr. Beech various suggestions and I have a letter here...

(Hands letter to Chairman, who reads it.)

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local power available if they can get that at a lower price. For instance, these farmers who are at the door of this Beech System, if they came in on the Hydro, would have to pay for transmission from Cedar Rapids - probably fifty miles.

Chairman: Go on Mr. Casselman.

Mr. Casselman: I think I have exhausted what little I know.

J. A. Ross: Has the Hydro always given you good service and plenty of power?

Mr. Casselman: We have no complaint on that score.

R. A. Ross: What reason did they give for jumping the rates up?

Mr. Casselman: Has that been a general experience?
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R. A. Ross: Not as bad as that.

Mr. Casselman: I think there are similar cases - not in degree but in principle.

R. A. Ross: I do not understand what excuse they must have given you. They must have told the people something; otherwise, they would naturally protest.

Mr. Casselman: I do not know that there was any organized protest.

R. A. Ross: At first they would take from Beech and then later on decide to take from Cedar Rapids and then penalize you for putting them on, but they would have to explain that.

Mr. Haney: Does the Hydro own the power line from Cedar Rapids up?

Mr. Casselman: Yes, they built it. They pay Cedar Rapids \$15 I think. The Hydro built a transformer station at Mille Roche and the Cedar Rapids Power Company delivers the power to this transformer station at \$15. per h.p. The Hydro built the transformer station and the lines.

Mr. Haney: Does not the same interest own the power at Mille Roche?

R. A. Ross: It was M. P. Davis but I do not know who owns it now.

Mr. Foster: They have half a million dollars invested in lines down there.

Chairman: First of all, did the people go to the Hydro or did the Hydro go to the people?

Mr. Casselman: Sir James Whitney was representing the County then; I was not particularly interested in public matters at that time and I have not a clear remembrance, but the Winchester Press in discussing this matter has given

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Sir James Whitney credit for the fact that Dundas County has Hydro power, so I presume it was at his suggestion that the Hydro went down into that district.

Chairman: When the municipalities did not send for the Hydro, the Hydro went down at Sir James Whitney's suggestion ?

Mr. Casselman: I think that is more likely because, as a matter of fact, they are reaching out into the districts.

B. A. Ross: How long have you had power ?

Mr. Casselman: 1913, I think.

Mr. Haney: Sir James would feel that Dundas County should have as much light as any other County, I suppose ?

J. A. Ross: And power, I suppose ?

Mr. Harris: Especially when they could get it at cost !

Chairman: Were the estimates published in the Press ?

Mr. Casselman: I expect so but I do not know definitely.

Mr. Harris: The Act requires that.

Chairman: Yes, but they told us their practice was not to publish them. Who went down to work it out ?

Mr. Casselman: Sir Adam Beck but he had some other man with him.

Chairman: Would it be James ?

Mr. Casselman: I think it is a matter of record.

--- They would, no doubt, be able to tell us.

Chairman: Mr. Casselman: just to go back again to that flat rate business; supposing that, through some freak of nature, Niagara Falls were converted into a coal mine and were owned by the Province, would you recommend that the coal should be delivered all over Ontario at the same price ?

Mr. Casselman: That is an economic question and a hard thing to ask a man to answer but the experience of the United States and Canada would justify that the benefit of those mines should be distributed on an equitable basis.

--- Supposing your theory is right, those farmers in the vicinity of Iroquois could get lower rates by reason of that local power.

Mr. Haney: This is within a system that is being used by adjoining municipalities and, naturally, if they take it from the system, must pay more for it.

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Chairman: Sometimes the local power costs more. In Eugenia, they want Niagara power taken up there and it looks to me as if they might be served cheaper by Niagara than by Eugenia.

Mr. Casselman: At one time it was a distinct crime for a person to speak critically of the operations of the Hydro-Electric Power Commission. Things are not as bad now and a person may open his mouth in criticism if he does not go too far. We believe that in Hydro practice, construction is extravagant; very extravagant; and we believe that the administration is extravagant; that it is over-manned. Thus, in connection with the building of that transformer station at Cornwall there are those who say that that thing cost anywhere from five to ten times what it should.

Chairman: Have you investigated if that statement is well-founded?

Mr. Casselman: I think in a great degree it is a true statement. I know that in connection with our own little transformer station at Chesterville private enterprise would see that they got more value for their money than Hydro.

--- What about building those lines that Mr. Beech did?

Chairman: \$1,500 a mile.

R.A. Ross: The kind of a line that Mr. Beech would build would not be the kind that the Hydro would be seen putting up.

Mr. Casselman: He has to put up a line that will carry the service and he is not a good business man if he does not put up a line that will conform to a certain standard. His lines have to be approved by the Commission. All you need is something that will do the business and I say that a private concern would get more value than the Hydro.

R. A. Ross: You cannot carry on a big business all over the country with subordinates in the same way as Beech would do.

Mr. Casselman: To substantiate the fact that transmission lines can be built more cheaply by private enterprise than by the Hydro, the Southern Canada Power Company built their lines for \$1,500 per mile. They are a good business concern and I understand it costs Hydro \$2,500 per mile. That is too much difference!

Chairman: Not if they will last that much longer.

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a line that would render efficient service ?

R. A. Ross: You are comparing two things that are not comparable; one is transmitted at a higher voltage than another. One company may need copper wire to transmit a higher voltage.

J. A. Ross: All you are interested in is the cost of the lines; not how long they will last.

Mr. Casselman: This line was built originally with copper wire and, during the War copper was very high and they took that down and put up a steel wire and they claim they saved for that system \$17,000 and yet, in the face of that saving of \$17,000, our rate went up as I have indicated.

Chairman: What do you think about the System now under which the Province gives the Hydro the right to inspect.

Mr. Casselman: I do not think it is satisfactory. I had a resolution prepared last year but I did not present it.

Mr. Harris: You know that the inspection was a Government department, managed by the Hydro ?

Mr. Casselman: In the towns of Morrisburg and Iroquois they have their own development and, naturally, they want to render efficient service and they do not want anyone killed or any fires. The System has been in service for maybe 30 years. The Hydro comes along and makes them wire over again.

--- Should there not be Government inspection?

Mr. Haney: It is Government inspection but they have delegated it to the Hydro, thinking they would be more efficient. The excess cost of that inspection is borne not by the ~~Hydro~~ Hydro but by the Government.

Mr. Harris: All the independent lines are inspected by the inspectors, who are under Hydro, but, in this section of the country, we are told that these fellows have no complaints; the Hydro inspection is quite satisfactory to them.

Mr. Casselman: What would you do if you had an experience like mine ?

Mr. Harris: I would get up and raise a holler.

Mr. Casselman: I did go before the Legislature.

Mr. Harris: It cost the Hydro \$30,000 of a deficit last year in the inspection department and the Government paid.

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Mr. Casselman: Deficits are common things in Hydro practice.

Mr. Harris: Are they ?

Mr. Casselman: We think so.

Mr. Harris: Estimates are common things too.

Chairman: I think we are all satisfied that there should be a public hearing on this matter, are we not ?

Mr. Casselman: I say that the distribution of power into the rural districts is one of the big economic questions.

(After some discussion among the Commissioners in connection with a public hearing, Mr. Casselman and Mr. Godfrey withdrew.)

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